



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0114	Title:	Revise tax increment finance district remittance laws for schools
Primary Sponsor:	Miller, Mike	Status:	As Amended in House Committee

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 114 clarifies how tax increment remittances to school districts are to be utilized. The bill has no state fiscal impact.

FISCAL ANALYSIS

Assumptions:

- HB 114 allows a school district to deposit any portion of the tax increment remittance that it receives into the general fund, bus depreciation reserve fund, debt service fund, building reserve fund, or technology acquisition and depreciation fund provided these funds have a mill levy requirement for the current school year.
- If a tax increment remittance was deposited into the district general fund, the district could potentially reduce the amount of guaranteed tax base aid (GTB) received by the district from the state. However, given that a district has options as to which fund to deposit the tax increment remittance, a district is unlikely to choose an option that will cause the district to receive less GTB state aid.

Effect on County or Other Local Revenues or Expenditures:

1. School district levies for any fund specified by this bill, other than the general fund, will be reduced by the amount of tax increment revenues the district deposits in the fund.
2. If a GTB-eligible district deposits the tax increment in the general fund, the local taxpayers will experience a partial property tax reduction, but the district will lose some guaranteed tax base aid that it would otherwise receive. In this case, there could be a savings to the state in GTB payments.

Sponsor's Initials

Date

Budget Director's Initials

Date